

COUNCIL STUDY SESSION MINUTES

October 4, 2011

The City Council of the City of Norman, Cleveland County, State of Oklahoma, met in a study session at 5:36 p.m. in the Municipal Building Conference Room on the 4th day of October, 2011, and notice and agenda of the meeting were posted at the Municipal Building at 201 West Gray, and the Norman Public Library at 225 North Webster 48 hours prior to the beginning of the meeting.

PRESENT:

Councilmembers, Ezzell, Gallagher, Griffith, Kovach, Lockett, Quinn, Spaulding, Mayor Rosenthal

ABSENT:

Councilmember Dillingham

DISCUSSION REGARDING THE UNIVERSITY NORTH PARK TAX INCREMENT FINANCE (TIF) DISTRICT.

Mr. Jeff Bryant, City Attorney, highlighted the University North Park Tax Increment Finance (TIF) Project Plan components as follows:

Conference Center/Cultural Facility

The Project Plan allocated \$16.5 million with a \$1.5 million contingency for the development of a first class hotel and conference center and as the project developed, the Embassy Suites Hotel Conference Center was built, but the City's \$15 million contribution to the Conference Center was waived by John Q. Hammons. Mr. Bryant said this allowed \$7.75 million to be reallocated to the construction of Rock Creek Overpass and \$7.25 million for future cultural facilities. The Rock Creek Overpass opened in September 2011 with a project cost of \$12,696,922, of which only \$5,764,478 of TIF funding was utilized, with \$4 million of the funding coming from the Oklahoma Department of Transportation (ODOT) and \$2,932,444 from the Association of Central Oklahoma Governments (ACOG). Only 35% of this component for the Project Plan has been utilized, with the remaining 65%, or \$10.7 million, still available for "Cultural Facilities" or other project costs.

Traffic and Roadway Improvements

The Project Plan allocated \$11.55 million for traffic and roadway improvements which mostly included intersection improvements. Mr. Bryant highlighted the traffic and roadway improvements that have been completed which included: Robinson and 24th Avenue intersection improvements; Robinson and east I-35 drive intersection improvements; Tecumseh Road & Flood intersection; Mount Williams Drive and 24th Avenue N.W. intersection; Conference Center Drive and 24th Avenue N.W. intersection; and 24th Avenue N.W. and Frontage Road to Conference Center Drive. The costs of these traffic and roadway projects, as a whole, are consistent with the budget developed in Development Agreement No. 1, with a total of \$2,715,331 spent. Councilmember Kovach asked what the reason was for the overage spent on the Conference Center Drive and 24th Avenue N.W. Intersection and Mr. Shawn O'Leary, Director of Public Works, said the overage was due to aesthetics, i.e., stamped concrete, light poles, etc. Future projects as first priority traffic and roadway improvements consist of the Robinson and I-35 Interchange, I-35 Frontage Road extension to 24th Avenue N.W., and design of West I-35 Robinson improvements. These projects resulted from a traffic impact analysis completed in November 2009 and are estimated to cost \$3,472,041. The most immediate improvement is the interchange at I-35 east and Robinson with associated entrances into the TIF area. The cost was estimated to be \$2.76 million of which ACOG is providing \$1.02 million, requiring TIF funding for the balance at \$1.74 million. The final plans are to be turned in to ODOT in October and the project should bid in January 2012. Mr. Bryant said construction will begin in the spring and be completed in three to six months. There are two remaining first priority traffic and roadway improvement projects. The Frontage Road extension to 24th Avenue N.W., is estimated to cost \$1,525,000 and has the potential for ACOG funding is a 12 month project. The design of West I-35 Robinson Improvements is estimated to cost \$200,000, will take six to twelve months for the design period and will include ODOT involvement. Mr. Bryant said the second priority traffic and roadway improvements are estimated at \$3,954,018 bringing the estimate for all priority projects to \$7.43 million, leaving \$1.08 million for contingency and other project costs.

Economic Development

Mr. Bryant said Economic Development (ED) consisted of an Enterprise Zone that was reduced from 60 acres to 40 acres with \$8.25 million to help create quality jobs. He said the Norman Economic Development Coalition (NEDC) purchased the first 30 acres for a six building Office Park in October 2010. Mayor Rosenthal asked the timeframe for the purchase of the additional 30 acres at the reduced price and Mr. Bryant said the timeframe is three years before the price increment increases. Mr. Bryant said an incentive funding source of 10% of the TIF Sales Tax was approved by Council in September 2010, and the note draw feature was issued to NEDC in June 2011. He said the pledge of ED portion increased to approximately \$760,000 in FYE 2011. Council approved a debt authorization in September 2010, which was a very important piece, giving NEDC the tools needed to recruit a potential quality jobs employer(s). He said the note was issued up to \$5.8 million that would be secured by TIF apportion revenues from the 10% ED and the note was closed in June 2011. In addition, Council also authorized an additional \$8.25 million in revenue notes that provided a funding mechanism if the opportunity became available to assist and recruit quality jobs employer(s) who may need financing or operating needs. He said recruiting prospects for quality job employers is ongoing with one commitment for the Office Park and a potential manufacturing project.

Retail Development

Retail development was and is a very important component to the UNPTIF Plan and drives the revenue stream that provides for the financing. The increment tax financing concept provides a revenue stream so that potential users can borrow funds to complete infrastructure needs, etc. Mr. Bryant said the object of the retail development was to provide a regional draw for retail customers to Norman and the retail environment was intended to compliment the retail stores outside the area, not to displace them. The project plan had a transfer adjustment component that was designed to discourage the developer from actively recruiting existing Norman businesses to move to UNPTIF.

The Power Center was included in the Retail Development Phase I and is located on the west side of 24th Avenue N.W., i.e., Target, Kohl's, Academy, etc. The Lifestyle Center was included in the Retail Development Phase II, located on the east side of 24th Avenue N.W., and is where the upscale development is supposed to occur. Phase II of the project plan required \$8.25 million of incentives that can be used to attract an anchor tenant that would bring the type of upscale shopping that was envisioned. Mr. Bryant said as the developer works to recruit potential tenant(s) there may be incentive request(s) that would be forthcoming for Council approval. He said the role of retail recruitment is evident across the country in that typically a cash incentive is offered in order to have a store relocate their business.

Lifestyle Center and Legacy Park

Mr. Bryant said the Lifestyle Center incentives total \$8.25 million and Legacy Park is also \$8.25 million, but includes enhanced landscaping, Legacy Trail, public art, and park construction. He said Development Agreement No. 3 for Legacy Park was approved in October 2007, the design was completed in 2009, and bids were opened in 2009, but there have been problems getting the land donated. Mr. Bryant said Development Agreement No. 5 focuses on addressing issues that will allow Legacy Park to move forward. He said the main issue is penalties in the amount of \$8.3 million if the 250,000 square foot Lifestyle Center is not built by January 1, 2016. Mr. Bryant said modification of development connected claw backs have been suggested as well as an extension of the deadline from 2016 to 2018. Councilmember Kovach asked the size of Legacy Park and Mr. Bryant said it was originally eight acres but now it is a little over six acres.

Development Agreement No. 5 proposes a modified "Lifestyle Center" concept or "Village Center." He said the developer will make a presentation for Council on October 18th. He said the proposed modification to the Village Center would add parking to the retail along Legacy Drive; have wider park features in the center of Legacy Drive to accommodate activity; remove the plans for a theatre and add hotel sites; and shift locations of the anchor and junior anchor. He said Development Agreement No. 5 also asks the TIF Authority to reaffirm its commitment to incentives of the \$8.25 million for potential retail anchors in the Lifestyle/Village Center and the developer will recommit as well. He said it has become very clear that it will require an incentive to attract a major anchor to "kick off" the Lifestyle/Village Center.

Mr. Bryant said a 106,000 square foot Crest Market will break ground soon and meets the criteria for incentives; however, they are not asking for incentives. He said the developer would like the \$5.9 million potential claw back that is tied to the construction costs of Legacy Park to be reduced to \$3 million based on land donation credits for Legacy Park land and cultural facility land. He said they would also like the \$2.4 million claw backs tied to construction costs of the Frontage Road to be limited by the lesser of \$2.4 million or the actual construction costs, which would probably be less than \$2.4 million. In return, the developer would be willing to donate two acres for the Cultural Facilities/Exhibit Hall just east of Embassy Suites Hotel with shared parking with Embassy Suites.

Mr. Bryant said the developer will file the final plat for Legacy Park to donate land. He said Development Agreement No. 3 requires the developer to maintain Legacy Park as well as some of the foliage areas in the UNP TIF. He said a Development Assistance Endowment Fund was proposed to be set up with \$900,000 of UNP TIF Revenues to help with long term maintenance costs. However, issues have risen regarding paying TIF funds into an Endowment Fund. He said the developers have come forward with another idea to provide long term maintenance of the park and other green areas consisting of developing a Special Assessment District (District) that would cover the entire TIF area. He said the District would calculate what would be needed to maintain the park and trails, at an appropriate level, and that would be assessed onto the property owners. Under Oklahoma law, special assessment districts can be created if at least 50% of the property owners apply to the City Council to create that assessment district. He said there would be a phase-in period where the City would provide matching development assistance funds up to \$900,000 over the nine year period. Councilmember Kovach requested clarification as to whether the City would be the only entity putting up the \$900,000 and in return the developer is substituting his commitment by putting the requirement onto the businesses located in the UNP TIF. Mr. Bryant said the developer owns a lot of the property in the UNP TIF and even though the developer leases the property, the developer would be paying the assessment on their prorated share based on the valuations of the property. He said it is also a way to assess other property owners, i.e., John Q. Hammons, Target, etc., who have purchased land. Councilmember Spaulding said there have been discussions before and there are currently disagreements about who is responsible for the medians and landscaping in other areas of the City and asked whether this issue will be resolved in UNP. Mr. Bryant said the Special Assessment District document would identify who is responsible but the idea is to make sure all the common areas, including Legacy Park and Legacy Trail, have a funding source to make sure they are maintained in the way that was envisioned.

Mr. Bryant said funding for Legacy Park construction and intersection improvements for Legacy Park Drive and 24th Avenue in the amount of \$6.1 million was included in the first financing, but bids received in 2009 for the park construction pushed costs higher than that. He said initial discussions recognized the Holiday Inn Express project as counting toward the 250,000 sq. ft. of retail space to be completed to avoid the \$8.3 million in penalties outlined in Development Agreement No. 3, but the developer has agreed to take the credit off the table, i.e., the developer will not be asking for additional credit towards the 250,000 sq. ft. of retail development to minimize claw backs.

Additional concepts include allowing access to additional vacant land at \$5 per square foot to complement a future cultural facility, the OU Foundation committing to act as a lender for the park construction costs, and addressing parking issues around restaurants planned to be located around the park water feature.

OU Foundation 2009 Note Terms

Mr. Bryant said in Development Agreement No. 5 the City will ask for recognition that the OU Foundation committed to \$14.56 million in the first financing and the City spent quite a bit less than that with the Rock Creek Road Overpass Project. The City wants some of that financing authorization transferred to the park project in order to construct the park the way it was designed. He said if everything comes together, the City will rebid the park construction project in early 2012. Mr. Bryant said the current interest rate on the OU Foundation 2009 Note is 3.75% and is based on a Treasury Bill plus an index. The current index through August 31, 2013, is 1.25% and will begin escalating to two, three, and four percent in subsequent years with a floor of 3.75% and ceiling of 14%. Pledged revenues are 50% of the UNP TIF sales tax increment and 50% of the UNP ad valorem increment, except for the NEDC land. A reserve requirement of \$1.5 million was fully funded in September 2011 and the first principal payment of \$400,000 was paid in September 2011. A \$10.14 million refinance was approved by Council in February 2011, but was dependant on selling participation in the note to qualified investors and a closing on the terms authorized could not be achieved.

Councilmember Kovach asked about the pledged revenues in terms of what access does the City have for the extra money and Mr. Bryant said the loan indenture provisions in the 2009 note states the sequence of Project Plan components that would move forward which are the first and second priority road improvements. He said there is an exception stating “unless the lender and the City can agree otherwise” and the City is trying to implement discussions that have been made in Development Agreement No. 5.

UNP TIF Revenue Update

The UNP TIF has generated \$19,164,253 in sales tax since October 2006 through August 2011, and a transfer adjustment of \$5,055,922 has been paid into the General Fund. A total net of \$14,108,331 TIF generated sales tax is split 60/40; \$8,196,134 for Project Plan costs and \$5,912,197 to the General Fund. When the Project Plan was adopted in October 2006, it was projected to generate \$19,486,037 in TIF sales tax through August 2011. The Project Plan Components was projected at \$6,988,524 and the projected General Fund was projected to be \$5,912,197.

A Cannibalization Study was conducted in December 2008, and determined new retailers operating within the UNP Project area have not cannibalized existing retail sales in Norman. The Study also revealed the new retailers have served to diversify and strengthen Norman’s retail base, improving the City’s retail drawing power, creating improved synergy among similar retail categories, and generating increased retail sales. Councilmember Spaulding asked how many stores have relocated to the UNP TIF area and Mr. Anthony Francisco, Finance Director, said approximately six or seven.

Mr. Bryant said the UNP TIF ad valorem revenues collected to date are \$1,844,902 and are 23.6% above projections. He said the sale of the Power Center to Inland REIT is expected to double the assessed value for those parcels and the additional ad valorem for that sale will be collected in 2013.

Project Plan Progress Summary

Mr. Bryant said the Hotel Conference Center opened in October 2008, and the City did not have to pay anything for the \$16.5 million project; Rock Creek Overpass opened in September 2011, the City only had to pay \$5.7 million of the \$13 million project; and the Cultural Facilities are still a potential project plan item and possible land donation(s) are still being discussed.

Traffic and roadway improvements/intersections have been improved and Conference Center Drive and a portion of the Frontage Road have been constructed. Robinson Street and I-35 Interchange will go to bid in January 2012.

The economic development is designed towards quality jobs, the Project Plan offered 60 acres at a reduced cost, and NEDC purchased the first 30 acres in October 2010. The UNP Business Park has been designed and Industrial/Manufacturing prospects are currently pending.

Councilmember Kovach asked if Council had the option to define the description for quality jobs and Mr. Bryant said there have been discussions about what is required under the Oklahoma Quality Jobs Act and the parameters that Council would desire, but decisions have not been made. Mr. Bryant felt Council had not thoroughly discussed this topic primarily because the City has been waiting for a quality jobs employer to come forward with a development agreement before any resolution is made. Once this comes into fruition, he felt Council will have those discussions and decide whether or not the perspective employer is what the City is looking for in order to make the Project Plan work. The Lifestyle Center originally was planned to be completed by 2016, the developer will provide a presentation at the October 18, 2011, City Council Study Session requesting various plan changes or amendments, and there is on going recruitment efforts for anchor(s) to locate to the Lifestyle Center.

Legacy Park was originally to be constructed after the Lifestyle Center was completed but Development Agreement No. 3 approved in October 2007, accelerated the park and added penalties. Legacy Park design was completed in September 2009 and Development Agreement No. 5 is pending.

Since the adoption of the Project Plan in May 2006, the UNP TIF has generated \$22.8 million in total revenues and the expenditures total \$10.3 million.

Future Actions

The Mr. Bryant said future actions include the completion of the Robinson Street and I-35 Interchange by Summer 2012; design of West Robinson Street improvements; design and construction of the I-35 Frontage Road extension; finalizing Development Agreement No. 5; obtaining the Legacy Park donation; developer presentation concerning proposed Lifestyle Center changes; Cultural Facility discussions; continuing efforts to obtain quality jobs employers; and beginning Lifestyle Center construction.

Mayor Rosenthal suggested Council focus on Development Agreement No. 5, because there are a number of issues that are of concern to Council. Councilmember Ezzell said in regards to Development Agreement No. 5, the developer is no longer negotiating with the City in good faith, particularly in relation to the Legacy Park donation. He felt he could not move forward on negotiating any aspect of Development Agreement No. 5 until the Legacy Park donation is released. Councilmember Ezzell said Development Agreement No. 3 was very clear and unequivocal stating "...the area comprising Legacy Park shall be donated to the City..." and is not contingent upon Development Agreement No. 5. He said the developer is negotiating to modify a number of provisions in Development Agreement No. 5 that were previously agreed to and he can not entertain any of the developer's requests until they begin negotiating with the City in good faith. Councilmember Ezzell felt the City should continue its commitment to the traffic and roadway improvements and to the economic development within UNP TIF. He said TIF districts are useful public finance tools and have appropriate roles. Councilmember Ezzell felt the UNP TIF is performing financially and is meeting the projections according to the presentation outlined tonight. He said the developer has grossly mismanaged the public's expectation on this project causing the perception to be that the UNP TIF is not successful when in fact it is successful.

Councilmember Ezzell said the developer has not met the architectural standards on some stores in the UNP TIF and this issue should be addressed immediately to become a priority once again. He said cannibalization issues do exist even if only six or seven stores have moved into the UNP TIF. He said a constituent(s) who is the owner(s) of Brookhaven Village indicated the developer has unsuccessfully tried to get one of their tenants to relocate to the UNP TIF, offering to buy out their current lease. Consequently, the Brookhaven Village owner has had to offer cash incentives of approximately of \$1 million to keep their tenant(s) from moving. Councilmember Ezzell felt the cannibalization claw back has been somewhat successful but the untold stories, such as Brookhaven Village, have not been factored into the cannibalization equation and are important details to consider. He said another example is when Ulta left Ed Noble Parkway and relocated to UNP TIF there was a transfer adjustment but there is still a large vacant space on Ed Noble Parkway where Ulta once was. Councilmember Ezzell felt the City is seeing the affects of the UNP TIF on Main Street and Ed Noble Parkway and the issue will need to be confronted very soon. He said a very successful mechanism is a TIF District for those areas, yet TIF Districts as a whole have been unfairly tainted by the problems occurring with the UNP TIF District.

Councilmember Ezzell said he could not personally move forward on any reconsideration of the Project and felt the City was wasting time with Development Agreement No. 5, until the developer unconditionally and unequivocally meets their obligations. He felt the City should strongly consider preparing a lawsuit petition seeking specific requirements and conveying to the developer that the park land dedication and final plat are crucial. He said the petition could be submitted to the developer, include a precise time frame for them to produce the park land donation or the City will have no choice but file the petition. Councilmember Ezzell said the City has discussed and negotiated with the developer for over two years and the time for accountability is now.

Mayor Rosenthal said park land dedication is critical and she felt like the City is being held hostage regarding the park land dedication. She agreed with Councilmember Ezzell's comments about the City continuing its commitment to the traffic and roadway improvements, as well as economic development, and also felt the park land dedication is a real sticking point in terms of how the City should proceed with negotiations. Mayor Rosenthal said she looked forward to the developer's presentation on October 18, 2011, but felt the park land dedication is a separate discussion.

Councilmember Kovach said regardless whether the City continues to subsidize new projects in the UNP TIF, the City should continue with the traffic and roadway improvements, as well as the economic development. He agreed with Councilmember Ezzell's comments regarding TIF Districts being good economic development tools and in order to get the public to buy into an economic development tool they have to understand that the City is being good stewards

of that particular economic development tool. Councilmember Kovach also felt that the UNP TIF, not all TIFs, has caused a lot of frustration in the public because of the way it was presented to the City. He distributed renderings to Council reflecting the proposal of OU Foundation to the TIF Citizens Committee, and said the UNP TIF is not what was proposed. Councilmember Kovach said previous Councils worked very hard to negotiate Development Agreement No. 3, which accelerated the donation of Legacy Park so that it could be provided to the public and the City has even gone forward with getting bids on the Legacy Park project.

Councilmember Kovach distributed, and quoted an excerpt, from a letter by Mr. David Boren, OU President, dated September 12, 2005, "...You can be assured that I am committed to creation of a "regional draw" at University North Park which, by reason of tenant-mix and quality design, will be like no other retail development in Oklahoma...", and again stressed to Council that this is not what the City has at this time. Councilmember Kovach also felt cannibalization is more than one business moving from one area of the City to UNP TIF, including current Norman businesses/stores closing because new businesses are being drawn to the UNP TIF with incentives, etc. He said Council has been shown presentations complaining that the UNP TIF was subsidizing development and making it more difficult for current Norman businesses to compete and he felt current businesses on Main Street and Lindsey Street have suffered because of the UNP TIF. Councilmember Kovach felt the future construction of Crest Foods is not exactly what was envisioned as the regional draw to entice people to come and shop Norman and felt it would be competition for the current Homeland Stores and Wright's IGA Stores. He said the Cannibalization Study also revealed the UNP TIF will work if it is a regional draw, but if it is not a regional draw it will not work in the long run and impact local businesses.

Councilmember Kovach reminded Council of the words spoken by the Mr. Frank Hill, Attorney for OU Foundation, "...there may not be a Planned Unit Development (PUD) in time where you are happy enough with what has been committed, where you can say, ok we will release the traffic dollars..." and he urged Council to not release any incentives to the developer until the Lifestyle Center is built. He said there have been many other comments indicating it is Council's duty to hold the developer's "feet to the fire" and make certain that obligations and standards are met.

Councilmember Kovach referred to Development Agreement No 3, Section 1.4, Deferral of Condition Precedent, of the Project Plan and stated it references not only the \$5.9 million claw back, but also the forfeiture of the maintenance endowment fund. He said in addition to the \$5.9 million, the developer should have also paid \$900,000 into the Legacy Park fund because it was part of the claw back.

Councilmember Kovach said the City is continually negotiating hard to resolve UNP TIF issues to only have the developer come back and want to re-negotiate. He referenced Development Agreement No. 3, Section 5.15, Unavoidable Delays, and said it does not mention economic hardship. It realizes the developer will negotiate as much as possible to his benefit but the City must be equally as aggressive in countering negotiations. Councilmember Kovach said the developer has made numerous promises they have not kept, including being a partner with the City of Norman, and he is not interested in moving forward on Development Agreement No. 5 until obligations are met.

Councilmember Quinn said he appreciated and agreed with Councilmember Ezzell's comments regarding the City's commitment to continue traffic improvements, economic development, and the donation of the park land for Legacy Park. He sincerely believes the UNP TIF is a positive TIF District for Norman, but also felt the developer was not negotiating with the City in good faith. Councilmember Quinn said the City needs to move forward with holding the developer accountable to Legacy Park because he felt it will be a regional draw for families to UNP TIF. He felt the City should do all it can to try to negotiate successfully with the developer, but said if necessary, he would support Councilmember Ezzell's suggestion to move forward with a lawsuit. Councilmember's Griffith and Spaulding agreed and felt the developer needed to meet their obligations or the City should file a lawsuit.

Councilmember Gallagher said from the very beginning the City has suffered by getting less sales tax in the UNP TIF District and adjustments for cannibalization exist but the adjustments have not stopped six businesses from moving to UNP TIF. He said the violation(s) of 21 mile distance limit and the concept that the UNP TIF will not compete with local businesses does not hold. He felt the additional hotel sites will create a negative impact on existing hotels in Norman. Councilmember Gallagher felt the construction of Crest Foods will negatively affect the local Homeland(s)

and Wright's IGA stores and said the 60%/40% split is slowing starving Norman. He said all of Staff's negotiations with the developer are not going well and he agreed with Councilmember Ezzell.

Councilmember Kovach said during Development Agreement No. 4, there were extensive discussions regarding taking money out of the Conference Center and putting it towards the Rock Creek Bridge Project. He said the City saved approximately \$8 million for investing in the Rock Creek Bridge rather than in the Conference Center and however the funds were to be spent would be decided and approved by the Statutory TIF Committee. Councilmember Kovach asked if the Statutory TIF Committee must approve any spending of TIF funds and Mr. Bryant said that is not a current requirement under the Plan documents.

Councilmember Gallagher asked Mr. Don Wood, NEDC, what has to take place in Norman in order to bring in prospective businesses and Mr. Wood said his job is to sell Norman as it is. Councilmember Ezzell asked Mr. Wood if the City of Norman was doing everything possible to be supportive of NEDC's efforts pertaining to UNP TIF and/or was there anything the City of Norman could be doing, in addition to what is already being done, to assist the economic development activities in the UNP TIF. Mr. Wood said the biggest factor is the national economy and he realized the economy is continually being held responsible, thus becoming a redundant statement. He said NEDC has submitted 15 projects within the last year and none of them moved forward. Companies are looking and trying to consider alternate options in order to save cost(s) and be more efficient, with most deciding not to relocate but instead expanding or cutting costs in their current facilities. Mr. Wood said companies are making decisions that are less risky and that is NEDC's biggest competitor. He felt Norman will begin experiencing a lot of economic activity once the national economy turns around. Mr. Wood said NEDC is working on a project to relocate an out of state advanced aerospace manufacturing company that would employ approximately 200 to 700 people and the average salary would be in the \$50,000 range. He said if the project progresses and Council approves, the company will build on the additional 30 acres that NEDC has available. Mr. Wood said the economic development tool in the UNP TIF area is the biggest tool and it is assisting with the progression of the advanced aerospace manufacturing company. He felt NEDC would not be having discussions with the company if it were not for the economic development tool.

Mr. Wood said NEDC has also added provisions to the office park stating it must be 70% owner occupied and most Norman companies do not fit that criteria; therefore, NEDC must search for out of city and/or state companies. He said NEDC has put themselves in the position within the market so as not to compete against other community/local developers. Regarding capitalization, NEDC has put limits on how to achieve this goal in order to keep from impeding any business. Mr. Wood said the Council Business and Community Affairs Committee is addressing several issues within the community, i.e., be more business friendly, quicker permitting process, lifestyle pluses, etc.

Mayor Rosenthal said the final plat for the Holiday Inn Express is scheduled as an agenda item on October 11, 2011, City Council meeting and felt it would be important for Council to request input from Embassy Suites, local hoteliers, and the Norman Convention and Visitors Bureau (NCVB) about the potential impact. She said it would be important to point out that the UNP TIF never included a promise to not compete, because new businesses to the community will bring about some level of competition. Councilmember Ezzell said it is a very valid point regarding that competition will exist for local businesses when new businesses come to Norman, whether within the UNP TIF or other areas throughout the City. He said the competition will always exist, but the City should make certain that incentives are applied appropriately.

Councilmember Kovach requested Staff look at available options to impose architectural standards that were initially presented for UNP TIF, i.e., zoning overlay, covenants, etc. Mayor Rosenthal said she met with the Architectural Review Committee (ARC) and assured Council that they worked very hard on the UNP TIF projects. She said sometimes a retail outlet/business has a particular design nationwide and the ARC works to achieve the architectural standards but at the same time they do not want to run prospective businesses off.

Items submitted for the record

1. PowerPoint presentation entitled, "University North Park Tax Increment Finance District Update" dated October 4, 2011
2. PowerPoint presentation entitled, "University North Park Tax Increment Finance District Update" dated September 27, 2011
3. Norman University North Park Project Plan adopted May 23, 2006
4. Ordinance No. O-0809-8
5. Contract No. K-0708-76: Development Agreement No. 3 for the Development of Legacy Park
6. Excerpts from comments made by the Honorable President David Boren, May 23, 2006, in addressing the Norman City Council in lobbying for approval of the University North Park Tax Increment Financing (TIF) and excerpts from the July 27, 2005; August 3, 2005; and August 24, 2005, Citizen TIF Committee minutes
7. Excerpts of PowerPoint presentation prepared by Carter Burgess presented to the Citizens TIF Committee
8. Letter dated September 12, 2005, from Mr. David L. Boren, President, University of Oklahoma, to City Council,

The meeting adjourned at 7:05 p.m.

ATTEST:

City Clerk

Mayor